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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
JOSEPH M. MAZUREK, : LS0802275APP
RESPONDENT. :

Division of Enforcement case file 07APP 044

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Joseph M. Mazurek
6425 Vista Avenue
Wauwatosa, WI 53213

Wisconsin Real Estate Appraisers Board
P.O. Box 8935
Madison, WI 53708-8935

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Wisconsin Real Estate Appraisers Board (“Board”). The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. Joseph M. Mazurek is licensed in the State of Wisconsin as a Real Estate Appraiser having license # 4-1559, granted on May 2, 2003. Mr. Mazurek’s most recent address on file with the Department of Regulation and Licensing (“Department”) is 6425 Vista Avenue, Wauwatosa, WI 53213.

2. On or about February 15, 2007, Ahmed Awadallah applied for licensure as a Real Estate Appraiser. In support of his application he submitted a copy of a report for an appraisal of property at 3370 E. Barnard Avenue in Cudahy, Wisconsin on March 10, 2006.

3. The appraisal report submitted by Mr. Awadallah was signed by Joseph M. Mazurek as the appraiser. It contained the following statement as the last entry: “Ahmed Awadallah provided assistance for Joseph M. Mazurek with the inspection, data analysis, and developing the appraisal report. Ahmed Awadallah spent approximately four hours assisting with this appraisal.” This acknowledgement of Mr. Awadallah’s contribution to the reports is not sufficiently detailed to determine whether or not Mr. Awadallah as an applicant actually developed the relevant approaches to value. In addition, the copy of the report sent to the Department by Mr. Mazurek does not contain this statement.

4. The appraisal and appraisal report for 3370 E. Barnard Avenue in Cudahy violate a number of Standards Rules of the Uniform Standards of Professional Appraisal Practice (USPAP).

5. The report violated Standards Rules (SR) 1-1 (a) and (c), 1-2(e)(i), and 2-2(b)(iii), as follows: Neighborhood description and market conditions are boiler plate and ambiguous in nature. No statistical analysis of market conditions is given to support appraiser's conclusions. This report, as well as two other reports submitted by Awadallah but not signed by Mazurek, have remarkably similar neighborhood and market condition comments, yet the reports involve diverse communities and locations with different economic, locational and market influences. The lot dimensions are listed as "N/A." The appraisal does not confirm the lot size by including a plat from numerous sources that are available in the normal course of doing business. For a 94 year old building, the appraiser states "the overall condition of the subject is average," yet he estimate its effective age as 25 years, with no narrative explanation in support of this unusual estimate. The property tax figure for the applicable year is stated only as an estimate when this figure is readily available from the municipality. The neighborhood northern boundaries extend into adjacent City of St. Francis with no explanation. The dwelling is indicated to be vinyl sided, but the photo indicates the front elevation to be a different material.

6. Mr. Mazurek's reponse was that the description given by the appraiser is accurate of that particular market area. In the past, "boilerplate" remarks were given to these similar neighborhoods, but he and his company have recently been striving to better describe the neighborhoods specifically. Acreage is listed next to lot dimension and is also in the market grid. The acreage is more easily accessible for the city of Cudahy. The slight difference in lot size for this particular application has no effect on marketability. The 25 year effective age of a well-maintained 94-year-old dwelling is acceptable. The taxes for 2006 were not available when the appraisal was done. Tax year 05/06 was used and an estimate made of the taxes for the following year. A northern neighborhood boundary was given because it was the next main thoroughfare. Whether or not this exists in St. Francis and not Cudahy has no effect on the appraisal. Three and one-half of the four exterior walls possesses vinyl siding.

7. The report violated SR 1-4(b) as follows: The cost approach cannot be duplicated, because the Marshall Swift quality rating or effective date of cost data is not provided. Lack of functional obsolescence on a 94-year-old dwelling is questionable. The report fails to provide support for land value extraction method. Boilerplate in Cost Approach Comments is careless and an indication that appraiser failed to proof report.

8. Mr. Mazurek responded that there is not functional obsolescence with regard to the subject property. The extraction method was listed as an error. The allocation method was used. This change has been made to all current and future appraisal reports. He agrees that it was careless to leave duplicate unfinished cost approach comments in the addendum. Changes have been made to all current and future appraisal reports.

9. The report violated SR 1-4(c) in that data sources for rental comparables are listed as "Realtor" and could not be verified.

10. Mr. Mazurek responded by saying that in the past they would state "Realtor" as their data source for market data because that is who input the rental data, but that since mid-2006, they have changed reports to read "MLS #/XXXXXX" as the data source.

11. The report violated SR 1-5 in that it fails to furnish effective date of data sources for prior sales of subject and comparable sales.

12. Mr. Mazurek responded that in early 2006, the new appraisal forms were still in their infancy. They have been including that date on more recent appraisals.

13. Mr. Mazurek stated that Mr. Awadallah made an error in submitting his appraisal samples to the state. He explained that the applicant was under the impression the state wanted to see the work that he alone completed on the appraisal reports, and the appraisal reports that were submitted to the state are not finished products and are unfinished appraisals that the applicant completed on his own. Mr. Mazurek stated that the applicant has full access to the supervisor's signature because the applicant cannot submit anything to the supervisor's lenders on his own because he is not licensed. They use the signature to encrypt the files they send to each other so that if the e-mail is intercepted by someone, it cannot be opened or changed.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to section 458.26 (3) of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

2. Respondent Joseph M. Mazurek is subject to discipline for failing to comply with USPAP in his preparation of appraisals and appraisal reports, contrary to sections RL 86.01 (1) and (2) of the Wisconsin Administrative Code.

ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that Joseph M. Mazurek is hereby reprimanded.

IT IS FURTHER ORDERED that within six months of the date of this Order, Joseph M. Mazurek must submit proof of successful completion of an Appraisal Institute class in Residential Appraisal Principles or Residential Appraisal Procedures, or an equivalent class at an educational institution approved by the Department of Regulation and Licensing. Verification shall be sent from the institution providing the education to the following address:

Department Monitor
Department of Regulation and Licensing,
PO Box 8935, Madison, WI 53708-8935.
Fax (608) 266-2264
Tel. (608) 261-7904

None of the education completed pursuant to this order may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing. A class completed before the date this order is signed shall be acceptable if taken after the October 17, 2007 meeting of the Real Estate Appraiser Board. In the event Mr. Mazurek fails to successfully complete the educational requirements in the manner set forth, his Real Estate Appraisers license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further Order of the Board or until he provides to the Department proof of completion of all said educational requirements.

IT IS FURTHER ORDERED that Joseph M. Mazurek pay the Department's costs of this matter in the amount of **\$459.95** within 60 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor. In the event Mr. Mazurek fails to pay the costs within the time and in the manner as set forth above, his Real Estate Appraisers license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that file 07 APP 044 be closed.

Dated this 27th day of February, 2008.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A member of the Board